

Finance Committee Briefing July, 2015 YTD Results 2016 Budget Update

General Fund

Dayton City Commission Work Session

August 26, 2015





July, 2015 YTD Budget Update

- General Fund Financial Results through July, 2015
 - a) Financial statements now incorporate <u>revised revenue</u> <u>estimates</u> as well as <u>revised expenditure appropriation</u>
 - b) Comparisons to the YTD budget now reflect comparisons to the <u>revised</u> budget amounts
- 2. Update on 2016 Budget Process
 - a) Policy Budget Matrix Development
 - b) Budget analysis work underway



General Fund Overview

- 1. Revenues and other sources through July are \$200,000 under the revised estimate and are \$3.2 M (or 3.5%) greater than the same period in 2014.
- 2. Expenditures are \$5.0M or 5% under the revised budget.
 - Note: Expenditures through July, 2015 include an extra payroll of \$2.7 million.
- 3. Overall, at the end of July, total sources exceeded total uses by \$800,000.

(In millions, Does not Include Special Projects)										
			2015							
	2015	2015	YTD	2015			2014	2015		
	Original	Revised	Revised	YTD	Budget	Budget	YTD	YTD	'14-'15	'14-'15
Revenues & Other Sources	Budget	Budget	Budget	Actuals	Variance	Variance	Actuals	Actuals	\$ Chg.	% Chg.
Income Tax	103.6	107.3	63.9	64.1	0.2	0.3%	60.1	64.1	4.0	6.7%
Property Tax	5.2	5.4	5.0	4.6	(0.5)	-9.5%	5.3	4.6	(0.7)	-13.5%
Local Gov't Fund	6.9	6.9	4.3	4.3	0.0	0.0%	3.9	4.3	0.4	9.6%
EMS Fees	4.7	4.8	2.7	3.1	0.5	18.2%	2.6	3.1	0.6	22.8%
Fees, Charges & Other Sources	30.1	30.2	17.7	17.4	(0.3)	-1.4%	18.4	17.4	(1.0)	-5.3%
Casino	3.3	3.2	2.4	2.3	(0.1)	-3.1%	2.4	2.3	(0.1)	-3.6%
Total Sources	153.9	157.8	96.0	95.8	(0.2)	-0.2%	92.6	95.8	3.2	3.5%
Use of Cash Reserve	2.5	2.5	0.0	0.0	0.0	N.A.	0.0	0.0	0.0	N.A.
27th Payroll	2.3	2.3	0.0	0.0	0.0	N.A.	0.0	0.0	0.0	N.A.
Total Sources & App. Fund Balance	158.6	162.6	96.0	95.8	(0.2)	-0.2%	92.6	95.8	3.2	3.5%
Expenditures & Other Uses))	
Personnel	114.2	114.1	69.5	66.3	3.2	4.6%	63.2	66.3	3.1	4.9%
Contracts, Materials & Other Uses	36.0	38.8	23.2	21.4	1.8	7.8%	23.1	21.4	(1.7)	-7.4%
Capital Equipment	3.4	2.5	0.7	0.7	0.0	0.0%	1.2	0.7	(0.5)	-43.3%
Capital Improvements	2.5	4.6	4.1	4.1	0.0	N.A.	0.7	4.1	3.4	486%
Development	2.5	2.5	2.5	2.5	0.0	N.A.	5.0	2.5	(2.5)	-50.0%
Total Uses	158.6	162.6	100.0	95.0	5.0	5.0%	93.2	95.0	1.8	1.9%
Excess/(Shortfall) of Sources										
Over Uses	0.0	0.0	(4.0)	0.8			(0.6)	0.8		

Notes:

- 1. Amounts may not sum due to rounding. Does not include special projects, which are reported separately.
- 2. 2015 Budget includes adopted budget only and does not include prior year's encumbrances.
- 3. Actuals include exp. against current year appropriation and against prior year's appropriation that carried forward.
- 4. Other Sources includes interest earnings and operating transfers in.
- 5. Other Uses include debt service and miscellaneous operating transfers out.

Finance Committee Briefing • GF Original Compared to Revised Budget



(In \$	s not Includ	e Special P	rojects)				
					Revised	2014	2014
			2015	2015	versus	Actual to	Actual to
	2014		Original	Revised	Original	Original	Revised
Revenues & Other Sources	Actual		Budget	Budget	Budget	Budget	Budget
Income Tax	102.7		103.6	107.3	3.7	0.9%	4.5%
Property Tax	5.7		5.2	5.4	0.2	-8.8%	-5.3%
Local Gov't Fund	6.7		6.9	6.9	-	3.0%	3.0%
EMS Fees	4.5		4.7	4.8	0.1	4.4%	6.7%
Fees, Charges & Other Sources	32.4		30.1	30.2	0.1	-7.1%	-6.8%
Casino	3.2		3.3	3.2	(0.1)	3.1%	0.0%
Total Sources	155.2		153.8	157.8	4.0	-0.9%	1.7%
Use of Cash Reserve	1.7		2.5	2.5	-	47.1%	47.1%
27th Payroll	-		2.3	2.3	-	N/4	N/A
Total Sources & App. Fund Balance	156.9		158.6	162.6	4.0	1.1%	3.6%
Expenditures & Other Uses							
Personnel	108.2		114.2	114.1	(0.1)	5.5%	5.5%
Contracts, Materials & Other Uses	39.1		36.0	38.8	2.8	-7.9%	-0.8%
Capital Equipment	2.1		3.4	2.5	(0.9)	61.9%	19.0%
Capital Improvements	2.5		2.5	4.6	2.1	0.0%	84.0%
Development	5.0		2.5	2.5		-50.0%	-50.0%
Total Uses	156.9		158.6	162.6	4.0	1.1%	3.6%
Excess/(Shortfall) of Sources							
Over Uses	0.0		0.0	0.0	0.0		<u> </u>

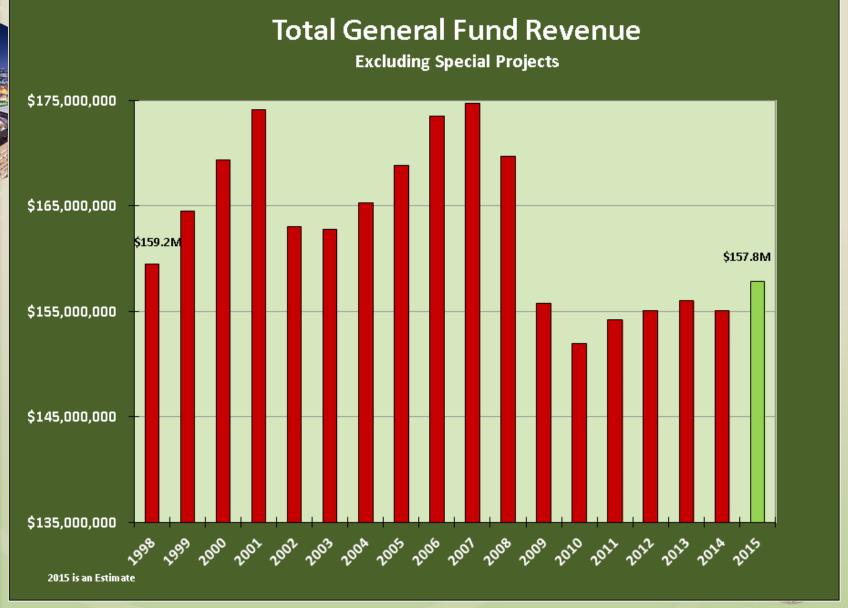
See Appendix for Detail

Notes:

- 1. Amounts may not sum due to rounding. Does not include special projects, which are reported separately.
- 2. 2015 Budget includes adopted budget only and does not include prior year's encumbrances.
- 3. Actuals include exp. against current year appropriation and against prior year's appropriation that carried forward.
- 4. Other Sources includes interest earnings and operating transfers in.
- 5. Other Uses include debt service and miscellaneous operating transfers out.



Finance Committee Briefing • GF Revenue 1998 to Revised 2015 Forecast



2015 Year To Date Tracking

% Change over Prior Year								
	Jan	Feb	Mar	Apr	May	Jun	Jul	
	YTD	YTD	YTD	YTD	YTD	YTD	YTD	
Income Tax	2.5%	4.9%	8.6%	5.8%	7.1%	7.0%	6.7%	
Total Revenue & Other Sources	-0.1%	-1.4%	4.2%	3.6%	4.2%	4.9%	3.5%	
Personnel	0.4%	0.3%	0.2%	0.0%	0.4%	0.9%	4.9%	
Total Expenditures & Other Uses	-3.3%	-3.9%	-3.4%	-1.8%	-3.2%	-3.2%	1.9%	
Revenue & Other Sources over	(2.4)	(0.0)	2.4	(0.0)				
Exp & Other Uses	(2.4)	(2.8)	0.4	(0.2)	1.4	3.6	0.8	

Includes extra Friday income tax collections

Reflects annual filing for income tax which is the largest collection month

Denotes Month(s) with Three City Payrolls

	Jan MTD	Feb MTD	Mar MTD	Apr MTD	May MTD	Jun MTD	Jul MTD	Jul YTD
Sources	13.1	12.5	14.3	16.5	12.4	13.5	13.6	95.8
Uses	15.5	12.9	11.1	17.0	10.8	11.3	16.3	95.0
Monthly Excess/(Shortfall)	1 (2.4)	(0.4)	3.2	1 (0.5)	1.6	2.1	(2.7)	0.8

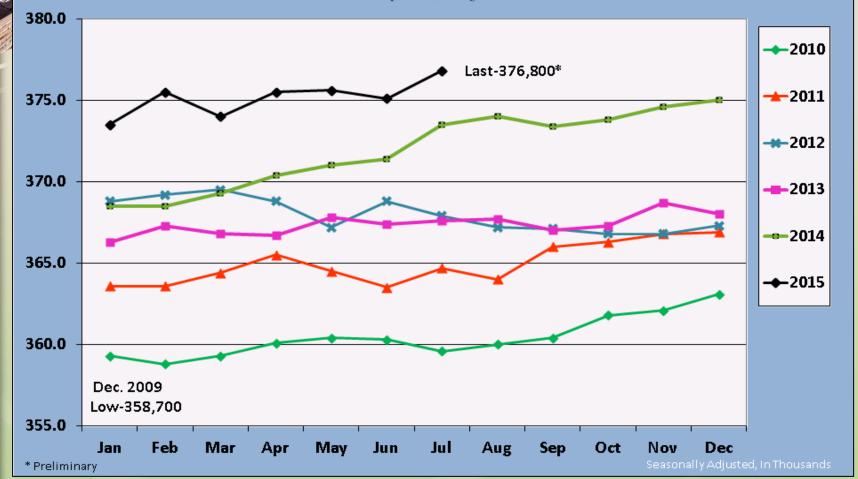
Extra PF/BB Pay of \$2.5M and Annual Health Savings Account Expenditure of \$2.6M Includes annual Capital (\$2.5 M) and Development (\$2.5 M) transfers



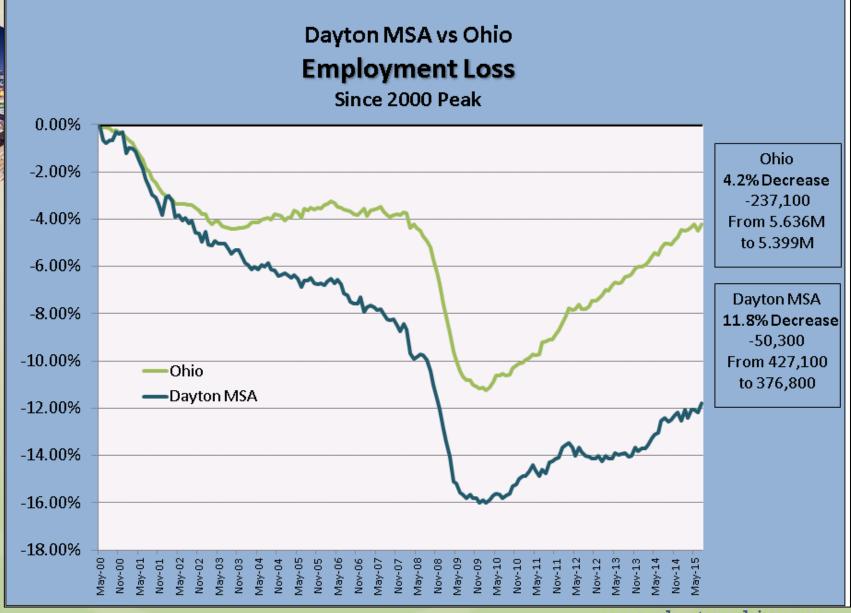
www.daytonohio.gov



From Peak to Trough the Region Lost 68,400 or 16% of the Job Base Employment is up by 18,100 Jobs Since December of 2009 (in thousands)



Note: BLS revised data to incorporate 2014 benchmarks and update seasonal adjustment factors.

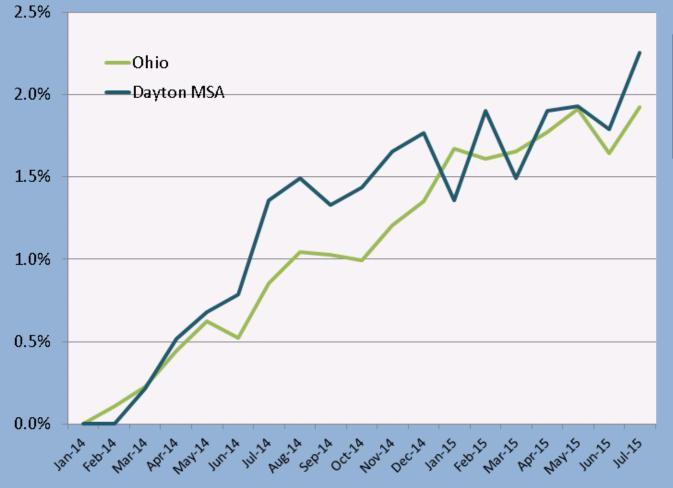




Dayton MSA vs Ohio

Employment Growth

Since January 2014



Dayton MSA 2.3% Increase +8,300 From 368,500 to 376,800

Ohio 1.9% Increase +101,900 From 5.297M 5.399M



2015 General Fund Revenues

- Income tax revenues are slightly ahead (\$200,000 or 0.3%) of the revised estimate and are 7% or \$4.0 M greater than last year.
 - 1. The revised revenue estimate for income tax reflects an increase of 4% over 2014 (versus the original estimate of 1% growth).
 - 2. YTD withholding collections climbed 4.3% or \$2.3M over last year.
 - 3. Taxes from business profits are up \$1 million, or 16%, of which almost all are attributable to corporations.
 - 4. YTD growth is being driven, in part, by a higher level of delinquency collections (up \$1.2 million from 2014).
 - 5. Revenues include \$362,000 in JEDD income tax distributions to Dayton's General Fund (for multiple years).

www.daytonohio.gov



2015 General Fund Revenues

- Property Tax revenues through July are \$500,000 (or 10%) under the YTD estimate the timing of advances can affect collections.
- 1. The first half collections reflected a decline of 5%.
- 2. We revised the forecast upward from an 8% decline to a 5% decline, an improvement of \$173,000.
- 3. We originally forecasted an 8% decrease in collections as real estate property values fell as a result of the six-year real property revaluation.
- 4. The second half settlement should be posted in September which will give us a more complete picture.



2015 General Fund Revenues

- Local Government Fund (LGF) receipts reflect the YTD estimate. The revenue estimate was revised upward due to the strong growth in State tax revenues despite the State revenue sharing cuts.
 - 1. LGF receipts are being affected by the State's redirection of a large portion of the municipal direct allocation to townships and villages.
 - Estimated annual impact is \$826,000 with impact in 2015 estimated at \$325,000.



- Fees, Charges & Other Sources are \$300,000 or 1% below the revised estimate, and are down \$1 million (or 5%) from 2014.
 - 1. Original forecast for public safety traffic enforcement revenues totaled \$350,000. Actual collections through July, 2015 total \$1.6 M.
 - Offsetting this increase are declines in courts, weed mowing, and waste collection revenues.
 - 3. In addition, 2014 revenues included the \$1 million racino host payment and accounts for the significant decline in this category year over year.
 - 4. On a positive note, permit activity is up overall.
- Casino Taxes total \$2.3 M through July and are 4% (or \$100,000) less than last year.
- Ongoing racino payment (\$500,000) was approved in the State budget but only for a 2 year period.
 We expect this payment by December 31, 2015.





2015 General Fund Expenditures

- Personnel Costs are under budget by 5% or \$3.2M and are up \$3.1 million compared to the first seven months of 2014.
 - 1. An additional PF/BB payroll in 2015 compared to the same time last year represents \$2.7 million of the \$3.1 million increase when factored out, growth is 0.6%.
 - 2. Negotiated wage increase of 3% has been implemented for Police, Building Trades, and D.P.S.U. employees including retroactive pay. PTS employees 3% increase is in process and retroactive pay will likely be completed by the end of August. The I.A.F.F. negotiations continue.
 - 3. The average number of employees in the General and Street Maintenance Funds declined by 25 positions or 2%, from 1,218 to 1,193 (July, 2014 YTD to July, 2015 YTD).



2015 General Fund Expenditures

- Contracts, materials & other uses are under budget by \$1.8 million (or 8%) at the end of July, reflecting an 7% decline in spending compared to the same period last year.
- 1. The reimbursement to schools of \$382,000 occurred in January of 2014 (delayed from December, 2013).
- 2. YTD 2014 activity includes \$350,000 for a transfer to capital to replace street lights that is now part of the Street Lighting assessment.
- 3. Expenditures are trending downward in telephone, maintenance agreements, and natural gas costs.



2016 Budget Update

- 1. Departments and OMB are analyzing options for the 2016 budget.
- 2. After several months of dialogue regarding the new budget process, the Community Service Area matrix has been developed and we will continue to refine but would like your feedback by Sept. 8 to proceed with new process.
- 3. Initial department training provided by OMB almost completed.

	Economic and Community Development	Justice	Building and Environmental Safety	Infrastructure	Corporate Services	Governance
Policy Objectives:	Foster a viable, sustainable and healthy urban community by providing quality amenities, economic opportunities and affordable housing options	Ensure a just and secure city where individuals, families and organizations can live, work and thrive	Safeguard the city's physical environment through the provision of services that protect people and property	Invest, maintain and improve the city's public assets to promote development, public safety and community value	Support and facilitate the provision of quality City services	Ensure the efficient and effective use of tax payer dollars in providing City Services while fostering a fair and just community
Priorities:	1. Provide Quality Services with Excellent Customer Service 2. Demolish Blighted Properties 3. Create Opportunities for Youth 4. Incent Wealth Creation and Entrepreneurship 5. Welcome and Support Immigrants	1. Provide Quality Services with Excellent Customer Service 2. Reduce Gun Violence 3. Support Police-Community Relations 4. Create Opportunities for Youth 5. Welcome and Support Immigrants 6. Improve Workforce Diversity	1. Provide Quality Services with Excellent Customer Service 2. Demolish Blighted Properties 3. Incent Wealth Creation (permitting 4. Prevent Loss Due to Fire 5. Promote Green Initiatives 6. Improve Workforce Diversity	1. Provide Quality Services with Excellent Customer Service 2. Increase Investment in Roads 3. Optimize figurizational Efficiency through use of Equipment/Technology 4. Je Recognized as Regional Leader for Water Supply, Reclamation and Treatment	1. Provide Quality Services with Excellent Customer Service 2. Maintain Financial Stability 3. Encourage Employee Wellness 4. Encourage Employee Development 5. Improve Workforce Diversity 6. Ontimize Organizational Efficience	1. Provide Quality Services with Excellent Customer Service 2. Maintain Financial Stability 3. Ensure Clear Communication and Transparency 4. Maintain Accountability to Public
	6. Foster a City of Learners	7. Promote MBE/Local Participation			s through use of Technology	
	1. Job Creation/Investment in the City 2. Median Household Income 3. Percentage of Vacant Structures 4. Mean Property Value (Sales Data) 5. Third Grade Reading Level 6. Summer Learning Opportunities 7. Immigrant Population & Investment 8. Airport Passenger Enplanements	Crimes Involving Guns Police-Community Interaction Survey Court Diversions Incarceration and Recidivism Police-Youth Engagements	1. Response Times 2. Permitsussued 3. Fire Damage 3. Percentage of Vacation Stures 5. Recycling Tonage 6. Carbon Footprint 7. Recommended Transphics 8. Exercise Howeing Condition 9. Med. Prog. Transphics 1. Carbon Footprint 9. Med. Prog. Transphics 1. Carbon Footprint 1. Carbon Footpri	1. Pavement Condition Index 2. Water Quality and Jume 2. Ste Water Effluent Quality 4. Here Weather Response 5. Inv. Pary of Healthy/Disersed Trees	to the Public	Percentage of Voter Turnout Community Interaction City's Bond Rating Accountability and Transparency to the Public Support all Community Outcome
Community Service Area Programs (Divisions):	Economic Development (Business Assistance and Development) Zoning Administration Planning Development Fund Convention Center Expo Center Community Development Recreation Golf Aviation Support Services Airport Operations and Facility Aviation Safety Services Airport Development	Patrol Operations (includes size of patrol and detectives) Police Investigations and Administration Prisoner Security Municipal Court Clerk of Courts Mediation Center Law/Prosecutor's Office Human Relations Council (Should HRC be moved to Corp. Serv.?)	Fire Suppose revices (including Fire Flee) Fire Pin ention and Investigation Fire oppression Grgency Medical Assistance Housing Inspection Building Inspection Waste Confection Environmental & Wellfield Protection	Apital Infrastructure Investment Street Maintenance (includes Parks and Forestry) Civil Engineering Public Works Administration Capital Equipment Water Reclamation Water Engineering Water Information Technology Water Supply and Treatment Water Utility Field Operations Water Administration	Finance-Tax and Accounting Utility Revenue Collection Purchasing Information Technology Human Resources Civil Service Fleet Management Facilities Management	City Commission Office City Manager's Office Office of Mgmt & Budget Office of Public Affairs Law/Civil
CSA Performanc e Goals and Measures:	Division Performance Goals and Measures	Division Performance Goals and Measures	Division Performance Goals and Measures	Division Performance Goals and Measures	Division Performance Goals and Measures	Division Performance Goals and Measures



Special Issues

- Mid-year cuts to the Local Government Fund will constrain 2015 and 2016 revenue growth (State redirecting LGF funds from cities to townships and villages).
- 2. Options for funding investments in 2016 2017 are being explored.
- 3. Policy budget discussions will continue.



Thank you.

Questions?



Finance Committee Briefing • Appendix

Summary of 2015 General Fund Revised Budget

	General Fund Operating Budget Adjustments	Amount
	Civil Service Police/Fire Recruitment Costs	53,200
1	City Manager's Office Training and Office Equipment	9,000
	Public Affairs Intern, van repairs	15,000
Ш	Economic Development Pre-development costs	143,700
ı	Central Services - Optica Contract moved from Police	267,700
ı	Human Resources addition of 2 positions	175,000
ı	Police - increase for Photo Enf. (\$535,000) less Optica Contract moved to CS	267,300
	OMB Contract Audit Services and Open Gov Software and Support	141,000
	Fire Ladder repair and facility maintenance costs	72,000
ı	Public Works Summer Alley Clean Up Program, fleet charges, grant matches	186,600
ı	Recreation Electric charges, funding for Conv. Ctr. Study, tree removal	164,800
ı	Non-Departmental Reduction of contingency funds	(391,700)
	Sub-total	1,103,600
ı	Excludes Reorganization Changes	



Finance Committee Briefing • Appendix

Summary of 2015 General Fund Revised Budget

to Special Revenue Funds from Income Tax:	Amount
Street Maintenance Fund (replacement salt purchases, equipment repairs)	735,000
Police COPS Hiring Grant shortfall	500,000
Sub-total	1,235,000
	230,200
- · · · · · · · · · · · · · · · · · · ·	40,000
Central Services Procurement Card Compliance Activities	150,000
Central Services Parking Garage Ticketing and Credit Card Enhancements	521,000
Sub-total	941,200
for Various Capital Brainsts from Income Tay	
	400.000
Fire Radio Project (Testing equipment and upgrade of existing radios)	130,000
Public Works Engineering and Design (TIGER application prep.)	160,000
Public Works Dragons Stadium Plaza Repairs	23,000
Central Services/GDRC Pool Boiler Replacement	110,000
Central Services/Lohrey HVAC Controls Replacement	20,000
Central Services/General Maintenance Funds	250,000
Sub-total Sub-total	693,000
Total Adjustment for General Fund Transfers	2,869,200
Total Changes to General Fund Appropriation in First Revised	3,972,800
Excludes Reorganization Changes	
	Sub-total for Technology Projects from Income Tax: Finance Tax System Changes State Income Tax Compliance Finance (Accounts Receivable Improvements) Central Services Procurement Card Compliance Activities Central Services Parking Garage Ticketing and Credit Card Enhancements Sub-total for Various Capital Projects from Income Tax: Fire Radio Project (Testing equipment and upgrade of existing radios) Public Works Engineering and Design (TIGER application prep.) Public Works Dragons Stadium Plaza Repairs Central Services/GDRC Pool Boiler Replacement Central Services/Lohrey HVAC Controls Replacement Central Services/General Maintenance Funds Sub-total Total Adjustment for General Fund Transfers Total Changes to General Fund Appropriation in First Revised